



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Jose Obregon

**SUBJECT: AMENDMENT TO THE LEASE
WITH SAN JOSE UNIFIED
SCHOOL DISTRICT**

DATE: February 25, 2004

Approved

Date

COUNCIL DISTRICT: 3
SNI: 13th Street

RECOMMENDATION

That the City Council approve an Amendment to the Lease Between the CITY of SAN JOSE ("CITY") and THE SAN JOSE UNIFIED SCHOOL DISTRICT ("DISTRICT") for District's use of 3.316 acres of City owned land adjacent to Watson Park, extending the term of the lease by Thirty-Five (35) years to June 30, 2048.

BACKGROUND

The City of San Jose is currently in a 20 year lease agreement with The San Jose Unified School District for the use of 3.316 acres of City land for use as an elementary school site. This agreement is scheduled to expire on June 30, 2013.

The District contacted the City's Department of Parks, Recreation and Neighborhood Services and asked that the lease be extended to a term of at least 40 years so that the District could take advantage of an opportunity to receive funding from the State for the replacement of the existing school facilities.

ANALYSIS

At the request of the Department of Parks, Recreation and Neighborhood Services, General Services staff entered into negotiations with the District to amend the lease extending the term by a period of 35 years, for a total lease term of 55 years. This is the maximum term permitted to local governments under state law unless the provisions of the lease provide for periodic reviews of rental amounts. The changes to the lease contained in the amendment are as follows:

1. The term of the lease will be extended Thirty-Five (35) years moving the expiration date of the lease from June 30, 2013 to June 30, 2048.

2. District shall pay to City an additional \$35 in rent to cover the additional 35 year term of the lease.
3. All of the provisions of the lease not specifically addressed in the Amendment shall remain unchanged.

PUBLIC OUTREACH

Not applicable.

COORDINATION

This item has been coordinated with the Department of Parks, Recreation and Neighborhood services and the City Manager's Budget Office. The City Attorney's Office has approved the document as to form.

COST IMPLICATION

There is no direct cost to the City associated with this item. The additional \$35 in rent represents an annual rent of \$1 per year for the additional lease term. This item is consistent with the Council approved Budget Strategy under General Principles Item 2 "protecting vital core services" and Item 3 "using our limited resources to stimulate our local economy".

CEQA

Categorically Exempt, File No. PP04-02-029

JOSE OBREGON
Director of General Services